

FY 2005-06 BUDGET

BUDGET SECTION SUMMARY

Section Title:

SANITATION ZONE - GEYSERVILLE

A. Program Description

This budget finances the operation, maintenance, and administration of a collection system, pumping stations, treatment plant, and disposal facilities serving the Geyserville area.

B. Financial Summary

Section	GROSS EXPENDITURES			NET COST/USE OF FUND BALANCE		
	Adopted	FY 05-06 Requested	Percent Change	FY 04-05 Adopted	FY 05-06 Requested	Percent Change
Operations	\$285,000	\$304,340	6.79%	\$75,539	\$92,234	22.10%
Bonds	15,325	14,652	(4.39%)	(8,925)	(9,723)	8.94%
Construction	125,000	30,000	(76.00%)	85,500	(10,750)	(112.57%)
TOTAL:	\$425,325	\$348,992	(17.95%)	\$152,114	\$71,761	(52.82%)

C. Staffing Summary

No staffing is allocated to this index.

D. Workload Summary

Workload Indicator	FY 03-04 Actual	FY 04-05 Budget Estimate	FY 04-05 Revised Estimate	FY 05-06 Projected	Change from FY 04-05 Budget Estimate
Total ESDs	328	344	338	332	(3.49%)
Total APNs	299	305	305	303	(0.66%)

E. Summary of Issues and Significant Changes

The Geyserville Sanitation Zone (Geyserville SZ) treatment facility became operational in 1981 and is designed to treat an average daily dry weather flow of up to 92,000 gallons per day. Based on the 1996 Report of Waste Discharge prepared for the Geyserville SZ, current and future treatment plant inflows were expected to remain less than the treatment and disposal capacity of the Geyserville SZ facilities. Accordingly, there are no expansions to the treatment and disposal facilities planned at this time.

The requested rate per ESD for FY 05-06 annual service charges is \$616 representing a 3.5% increase from FY 04-05. The Geyserville SZ currently collects sufficient funds to operate and maintain its collection system and treatment plant. In addition to funds needed for the ongoing operations and maintenance expenses, funds are necessary for the replacement of aging infrastructure. At the Geyserville SZ, the level of funds collected allows this sanitation zone to accrue some funds for future infrastructure replacement projects. Over time it will be necessary to increase the level of capital replacement funding to ensure the long-term reliability of this system.

F. Summary of Reduction Options

No reduction options are proposed.

G. Attachments

- Summary of Revenues and Expenditures
- Character Justification
- Statement of Special Fund Activity

FY 2005-06 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Section Title: SANITATION ZONE - GEYSERVILLE - OPERATIONS

Section/Index No: 681106

Sub-Object No. and Title	Adopted 2004-05	Requested 2005-06	Difference	Percent Change
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REVENUES:

TAXES

1001 Flat Charges - CY	\$196,231	\$194,194	(\$2,037)	(1.04%)
1061 Flat Charges - PY	4,000	4,000	0	0.00%
1120 Penalties / Costs on Taxes	600	600	0	0.00%
Subtotal Taxes	\$200,831	\$198,794	(\$2,037)	(1.01%)

USE OF MONEY

1700 Interest on Pooled Cash	\$6,250	\$9,000	\$2,750	44.00%
Subtotal Use of Money	\$6,250	\$9,000	\$2,750	44.00%

CHARGES FOR SERVICES

3400 Sanitation Services	\$2,380	\$4,312	\$1,932	81.18%
Subtotal Charges for Services	\$2,380	\$4,312	\$1,932	81.18%

TOTAL REVENUES	\$209,461	\$212,106	\$2,645	1.26%
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EXPENDITURES:

SERVICES AND SUPPLIES

6040 Communications	\$500	\$4,340	\$3,840	768.00%
6180 Maintenance - Bldgs/Imp	15,000	15,000	0	0.00%
6262 Lab Supplies	500	500	0	0.00%
6522 District Services	120,000	135,000	15,000	12.50%
6570 Consultant Services	0	0	0	N/A
6573 Administration Costs	2,000	2,000	0	0.00%
6610 Legal Services	0	0	0	N/A
6630 Audit / Accounting Services	1,000	1,000	0	0.00%
7212 Chemicals	5,000	5,000	0	0.00%
7217 State Permits / Fees	6,000	6,500	500	8.33%
7320 Utilities	20,000	15,000	(5,000)	(25.00%)
Subtotal Services and Supplies	\$170,000	\$184,340	\$14,340	8.44%

OTHER CHARGES

7980 Depreciation	\$75,000	\$80,000	\$5,000	6.67%
Subtotal Other Charges	\$75,000	\$80,000	\$5,000	6.67%

FY 2005-06 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Sub-Object No. and Title	Adopted 2004-05	Requested 2005-06	Difference	Percent Change
<u>FIXED ASSETS</u>				
8510 Building / Improvements	\$0	\$0	\$0	N/A
<i>Subtotal Fixed Assets</i>	\$0	\$0	\$0	N/A
<u>OTHER FINANCING USES</u>				
8625 OT - W/in Special Dist - BOS	\$30,000	\$30,000	\$0	0.00%
<i>Subtotal Other Financing Uses</i>	\$30,000	\$30,000	\$0	0.00%
<u>APPROPRIATIONS FOR CONT</u>				
9000 Appropriations for Contingencies	\$10,000	\$10,000	\$0	0.00%
<i>Subtotal Appropriations for Contin.</i>	\$10,000	\$10,000	\$0	0.00%
TOTAL EXPENDITURES	\$285,000	\$304,340	\$19,340	6.79%

TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	\$75,539	\$92,234	\$16,695	22.10%
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FY 2005-06 BUDGET
CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: Sanitation Zone - Geyserville - Operations

Character Title: Taxes

Character No.: 681106-10

1001 Flat Charges - CY

Flat charge revenue from annual service charges is expected to increase slightly from the adopted FY 04-05 budget. The annual rate will increase 3.5%, from \$595 to \$616.

ESDs times annual rate:	325 x \$616	\$200,200
Less Estimated Delinquency Factor:	3%	(6,006)
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		\$194,194

(See SubObject 3400 for Total ESDs)

1061 Flat Charges - PY

This account records the estimated delinquent amount of prior years sewer service charges.

1120 Penalties / Costs on Taxes

This item records penalties paid on delinquent sewer service charges.

Character Title: Use of Money

Character No.: 681106-17

1700 Interest on Pooled Cash

This account records interest on pooled cash held for the Zone by the County Treasurer's office. Estimated interest is projected based on cash on hand and current interest rate trends.

Estimated Average Cash Balance	\$360,000
Projected Interest Rate	2.50%
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Projected/Planned Interest on Pooled Cash	\$9,000

Character Title: Charges for Services

Character No.: 681106-30

3400 Sanitation Services

This account records annual sewer service charges for entities that are invoiced, rather than collected as flat charges on the tax roll, and for new hook-ups as they occur during the year. The Sanitation Rate Ordinance requires that charges be collected at the time permits are issued. The properties are then added to the tax roll master listing and collected through sub-object 1001, Flat Charges, in the following year.

Based on projected FY 05-06 ESDs, the Zone will experience an increase in revenue from invoiced entities. The budgeted revenue reflects an increase in the annual sewer service charge from \$595 to \$616.

ESDs x Annual Charge	7 x \$616	=	\$4,312
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Character Title: Services and Supplies

Character No.: 681106-60

6040 Communications

This account records expenses paid by the Zone for outside communication and wireless services. The increase in this account is due to a monthly data line expense for the facility/process cameras to monitor the wet wells and front gates.

6180 Maintenance - Bldgs / Impr

This account records the cost of parts and materials required to maintain the collection system and pumping facilities.

6262 Laboratory Supplies

This account records the cost of lab supplies required for testing and monitoring wastewater.

6522 District Services

This account records the cost of labor and overhead required for operation and maintenance of the Zone's facilities and equipment, as well as other related service and supply type items. The requested budget increase for FY 05-06 will bring this item closer to the costs identified for District Services (\$135,000) necessary to provide a standard level of service for the Geyserville Sanitation Zone.

6573 Administration Costs

This account represents the 1% administration fee assessed by the County for processing collection of flat charges on the tax roll.

6630 Audit / Accounting Services

This item represents the direct allocation of Auditor-Controller Fiscal Services staff costs for time expected to be spent on the Zone's accounting.

7212 Chemicals

This account records the cost of chemicals required for operation of the treatment plant. The anticipated amount is considered necessary to meet the discharge requirements of the Zone's NPDES permit, as required by the State Water Quality Control Board.

7217 State Permits / Fees

This account records the cost of District permits related to NPDES, as mandated by the Regional Water Quality Control Board.

7320 Utilities

This account records the cost of payments made for utilities such as gas, electricity, and water.

Character Title: Other Charges

Character No.: 681106-75

7980 Depreciation

Generally Accepted Accounting Principles require that depreciation be expensed each year.

Character Title: Fixed Assets

Character No.: 681106-85

8510 Buildings / Improvements

No funds are requested for FY 05-06

Character Title:

Other Financing Uses

Character No.:

681106-86

8625 OT - W/in Special Dist - BOS

This account reflects the transfer of cash from the Operations Fund to the Construction Fund to finance the Capital Replacement Program. If the Operations Fund does not have sufficient cash available to finance planned capital projects, the transfer will not be made and any uncompleted projects will be rescheduled and rebudgeted in the next fiscal year.

Character Title:

Appropriations for Contingencies

Character No.:

681106-90

9000 Appropriations for Contingencies

This account provides funding for unanticipated expenditures or revenue shortfalls.

FY 2005-06 BUDGET

STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation

Section: Sanitation Zone - Geyserville - Operations

Index No.: 681106

DESCRIPTION OF FUND ACTIVITY	Actual FY 03-04	Estimated FY 04-05	Requested FY 05-06
Undesignated/Unreserved <u>BEGINNING</u> Fund Balance			
Available for Budgeting (See Detailed Components Below)	\$287,565	\$326,014	\$316,521
Annual Revenues and Expenditures:			
Revenues - Increase fund balance	196,887	211,773	212,106
Expenditures - (Decrease) fund balance	(238,696)	(301,328)	(304,340)
Net Surplus or Deficit - Increase/(Decrease) to fund balance	(41,809)	(89,555)	(92,234)
Adjustments to Reserves/Encumbrances:			
7980 - Depreciation	72,805	76,983	80,000
Change in Encumbrance	7,453	-	-
PY Encumbrances	-	3,079	-
Net Adjustment - Increase/(Decrease) to Fund Balance	80,258	80,062	80,000
Undesignated/Unreserved <u>ENDING</u> Fund Balance			
Available for Budgeting	\$326,014	\$316,521	\$304,287
Total Increase/(Decrease) in Fund Balance for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	\$38,449	(\$9,493)	(\$12,234)
<u>Fund Balance Components at Beginning of FY</u>	7/1/03	7/1/04	
Cash	\$301,776	\$321,094	
Other Receivables	7,612	8,773	

FY 2005-06 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Section Title: SANITATION ZONE - GEYSERVILLE - BONDS
Section/Index No: 681205

Sub-Object No. and Title	Adopted 2004-05	Requested 2005-06	Difference	Percent Change
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REVENUES:

TAXES

1000 Prop Taxes - CY Secured	\$21,000	\$21,000	\$0	0.00%
1020 Prop Taxes - CY Supplemental	600	600	0	0.00%
1040 Prop Taxes - CY Unsecured	600	600	0	0.00%
1060 Prop Taxes - PY Secured	0	0	0	N/A

Subtotal Taxes	\$22,200	\$22,200	\$0	0.00%
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USE OF MONEY

1700 Interest on Pooled Cash	\$1,250	\$1,375	\$125	10.00%
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Subtotal Use of Money	\$1,250	\$1,375	\$125	10.00%
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INTERGOVERNMENTAL REVENUES

2440 St - HOPTR	\$800	\$800	\$0	0.00%
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Subtotal Intergovernmental Revenues	\$800	\$800	\$0	0.00%
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TOTAL REVENUES	\$24,250	\$24,375	\$125	0.52%
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EXPENDITURES:

SERVICES AND SUPPLIES

6635 Fiscal Agent Fees	\$50	\$52	\$2	4.00%
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Subtotal Services and Supplies	\$50	\$52	\$2	4.00%
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OTHER CHARGES

7920 Interest	\$15,275	\$14,600	(\$675)	(4.42%)
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Subtotal Other Charges	\$15,275	\$14,600	(\$675)	(4.42%)
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ADMINISTRATIVE CONTROL ACCOUNT

9200 Ent - Principal	\$13,000	\$14,000	\$1,000	7.69%
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9209 Ent - Principal Clearing	(13,000)	(14,000)	(1,000)	7.69%
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Subtotal Administrative Control	\$0	\$0	\$0	N/A
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TOTAL EXPENDITURES	\$15,325	\$14,652	(\$673)	(4.39%)
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TOTAL NET COST	(\$8,925)	(\$9,723)	(\$798)	8.94%
<i>(Expenditures Minus Revenues)</i>				

FY 2005-06 BUDGET CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation
Section Title: Sanitation Zone - Geyserville - Bonds

Character Title: Taxes Character No.: 681205-10

1000 Prop Taxes - CY Secured

The Auditor-Controller establishes a tax rate sufficient to accumulate tax revenues necessary to make bond payments of interest and principal. The bonds were passed to fund construction of sewage facilities.

1020 Prop Taxes - CY Supplemental

The amount requested for property tax revenue is based on prior year actuals and current year estimates from the Auditor-Controller's office.

1040 Prop Taxes - CY Unsecured

The amount requested for property tax revenue is based on prior year actuals and current year estimates from the Auditor-Controller's office.

1060 Prop Taxes - PY Secured

No amount is recommended since no revenue has been received in this account in recent years.

Note: The FY 2005-06 bond payment amount (principal and interest) is \$28,600. To avoid major fluctuations in the tax rate from year to year, the tax amount budgeted and/or collected each year may not correspond exactly to the annual bond payment (P&I). Over or under collection in any single year (when compared to the bond payment for that year) merely increases or decreases the fund balance retained in this index. The Auditor's long term tax rate calculations are designed to ensure that debt service obligations are met, while retaining an appropriate level of fund balance, and minimizing unnecessary tax rate fluctuations.

Character Title: Use of Money Character No.: 681205-17

1700 Interest on Pooled Cash

This account records interest on pooled cash held for the Zone by the County Treasurer's office. Estimated interest is projected based on cash on hand and current interest rate trends.

Estimated Average Cash Balance	\$55,000
Projected Interest Rate	<u>2.50%</u>
Projected/Planned Interest on Pooled Cash	\$1,375

Character Title: Intergovernmental Revenue Character No.: 681205-20

2440 St - HOPTR

This account records the receipt of State Home Owner's Property Tax Relief as allocated by the Auditor's Office. The claim is filed with the State based on the number of Homeowner's exemptions filed with the County.

Character Title: Services and Supplies Character No.: 681205-60

6635 Fiscal Agent Fees

This account records the fee collected by the County Treasurer for acting as the fiscal agent.

Character Title: Other Charges Character No.: 681205-75

7920 Interest

This account reflects the interest expense on the outstanding general obligation bonds. The interest rate is 5%. Payments began January 1, 1981 and will continue semi-annually until January 1, 2020. The request for the forthcoming fiscal year is based on the bond amortization schedule prepared at the time the bonds were sold.

Character Title: Administrative Control Character No.: 681205-92

9200 Ent - Principal

This account reflects the principal expense for general obligation bonds that were issued in 1980 to finance the local share of a wastewater collection system. Payments on the bonds will continue until January 1, 2020. The request for the forthcoming fiscal year is based on the bond amortization schedule prepared at the time the bonds were sold.

The following reflects the bond principal payment history to date:

Original Amount of the General Obligation Bond Issue:	\$500,000
Total FY 80-81 through FY 03-04 Principal Payments:	(188,000)
FY 04-05 Principal Payment:	<u>(13,000)</u>
Outstanding Bond Amount	\$299,000

9209 Ent - Principal Clearing

This is the clearing account for sub-object 9200, Ent - Principal.

FY 2005-06 BUDGET

STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation
Section: Sanitation Zone - Geyserville - Bonds
Index No.: 681205

DESCRIPTION OF FUND ACTIVITY	Actual FY 03-04	Estimated FY 04-05	Requested FY 05-06
Undesignated/Unreserved <u>BEGINNING</u> Fund Balance			
Available for Budgeting (See Detailed Components Below)	\$55,379	\$51,424	\$46,349
Annual Revenues and Expenditures:			
Revenues - Increase fund balance	25,020	24,250	24,375
Expenditures - (Decrease) fund balance	(15,975)	(15,325)	(14,652)
Net Surplus or Deficit - Increase/(Decrease) to fund balance	9,045	8,925	9,723
Adjustments to Reserves/Encumbrances:			
9200 - Enterprise Principal	(13,000)	(13,000)	(14,000)
Change in Matured Bonds Payable	-	(1,000)	-
Net Adjustment - Increase/(Decrease) to Fund Balance	(13,000)	(14,000)	(14,000)
Undesignated/Unreserved <u>ENDING</u> Fund Balance			
Available for Budgeting	\$51,424	\$46,349	\$42,072
Total Increase/(Decrease) in Fund Balance for Fiscal Year (Difference between Beginning and Ending Balance)	(\$3,955)	(\$5,075)	(\$4,277)
<u>Fund Balance Components at Beginning of FY</u>	<u>7/1/03</u>	<u>7/1/04</u>	
Cash	\$68,379	\$64,424	
Matured Bonds Payable	(13,000)	(13,000)	
Total Beginning Fund Balance	\$55,379	\$51,424	

FY 2005-06 BUDGET

SUMMARY OF REVENUES AND EXPENDITURES

Section Title: SANITATION ZONE - GEYSERVILLE - CONSTRUCTION
Section/Index No: 681304

Sub-Object No. and Title	Adopted 2004-05	Requested 2005-06	Difference	Percent Change
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REVENUES:

USE OF MONEY

1700 Interest on Pooled Cash	\$9,500	\$10,750	\$1,250	13.16%
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Subtotal Use of Money	\$9,500	\$10,750	\$1,250	13.16%
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OTHER FINANCING SOURCES

4625 OT - W/in Special Dist - BOS	\$30,000	\$30,000	\$0	0.00%
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Subtotal Other Financing Sources	\$30,000	\$30,000	\$0	0.00%
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TOTAL REVENUES	\$39,500	\$40,750	\$1,250	3.16%
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EXPENDITURES:

FIXED ASSETS

8510 Buildings / Improvements	\$95,000	\$0	(\$95,000)	(100.00%)
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9142 Capital Replacement Program	30,000	30,000	0	0.00%
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Subtotal Fixed Assets	\$125,000	\$30,000	(\$95,000)	(76.00%)
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TOTAL EXPENDITURES	\$125,000	\$30,000	(\$95,000)	(76.00%)
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TOTAL NET COST	\$85,500	(\$10,750)	(\$96,250)	(112.57%)
<i>(Expenditures Minus Revenues)</i>				

FY 2005-06 BUDGET

CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation
Section Title: Sanitation Zone - Geyserville - Construction

Character Title: Use of Money Character No.: 681304-17

1700 Interest on Pooled Cash

This account records interest on pooled cash held for the Zone by the County Treasurer's office. Estimated interest is projected based on cash on hand and current interest rate trends.

Estimated Average Cash Balance	\$430,000
Projected Interest Rate	<u>2.50%</u>
Projected/Planned Interest on Pooled Cash	\$10,750

Character Title: Other Financing Sources Character No.: 681304-46

4625 OT - W/in Special Dist - BOS

This account reflects the transfer of cash from the Operations Fund to the Construction Fund to finance the Capital Replacement Program. If the Operations Fund does not have sufficient cash available to finance planned capital projects, the transfer will not be made and any uncompleted projects will be rescheduled and rebudgeted in the next fiscal year.

Character Title: Fixed Assets Character No.: 681304-85

8510 Buildings / Improvements

This account reflects funds for treatment plant and disposal system expansion and improvement projects. For FY 05-06 there is no planned projects.

9142 Capital Replacement Program

This account reflects funds for repair and replacement of the sewer collection system. Long-term replacement of existing facilities that are worn out and in disrepair will help to bring the facilities up to current sanitation standards and will extend the life of the sanitation infrastructure.

The amount requested for the forthcoming year is for a variety of repairs and replacement of worn out parts as needed.

FY 2005-06 BUDGET

STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation
Section: Sanitation Zone - Geyserville - Construction
Index No.: 681304

DESCRIPTION OF FUND ACTIVITY	Actual FY 03-04	Estimated FY 04-05	Requested FY 05-06
Undesignated/Unreserved <u>BEGINNING</u> Fund Balance			
Available for Budgeting (See Detailed Components Below)	\$392,836	\$388,061	\$324,202
Annual Revenues and Expenditures:			
Revenues - Increase fund balance	38,119	61,141	40,750
Expenditures - (Decrease) fund balance	(41,958)	(125,000)	(30,000)
Net Surplus or Deficit - Increase/(Decrease) to fund balance	<u>(3,839)</u>	<u>(63,859)</u>	<u>10,750</u>
Adjustments to Reserves/Encumbrances:			
Capitalized Interest	(936)	-	-
Change in Encumbrances	-	-	-
Post Audit Adjustment - Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Net Adjustment - Increase/(Decrease) to Fund Balance	<u>(936)</u>	<u>-</u>	<u>-</u>
Undesignated/Unreserved <u>ENDING</u> Fund Balance			
Available for Budgeting	\$388,061	\$324,202	\$334,952
Total Increase/(Decrease) in Fund Balance for Fiscal Year (Difference between Beginning and Ending Balance)	(\$4,775)	(\$63,859)	\$10,750
 <u>Fund Balance Components at Beginning of FY</u>	<u>7/1/03</u>	<u>7/1/04</u>	
Cash	\$392,836	\$388,061	
Encumbrances	-	-	
Total Beginning Fund Balance	<u>\$392,836</u>	<u>\$388,061</u>	